

News Release



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Aroostook County, Maine, Profit Sharing Plan Fiduciaries Barred from Serving as Benefit Plan Trustees

BANGOR, Maine - The trustees of the Pepsi-Cola Bottling profit sharing plan in Aroostook County, Maine, have been barred from serving as fiduciaries in the future to any plan governed by the Employee Retirement Income Security Act (ERISA) under a consent judgment obtained on June 4, 2003 by the U.S. Department of Labor.

“Plan fiduciaries have a sacred duty to protect the interests of plan participants, not themselves, not anyone else,” said James Benages, director of the Boston Regional Office of the department’s Employee Benefits Security Administration (EBSA). “When they fail to do so, we will not hesitate to take appropriate legal action to recover and safeguard workers’ benefits.”

The judgment, entered in federal district court in Bangor, resolves a complaint filed against J. Gregory Freeman, Katherine A. Freeman and Kevin G. Freeman, trustees for the Pepsi-Cola Bottling of Aroostook, Inc., Profit Sharing Plan and Trust for alleged violations of ERISA.

The complaint alleged that the defendants improperly transferred \$618,682.61 in funds from the plan to fiduciary J. Gregory Freeman’s account in Jan. 2000, loaned \$130,000 of the plan’s assets to fiduciary Kevin G. Freeman in Oct. 1997, overpaid a plan participant by \$4,984 in Jan. 1999, and failed to collect the overpayment.

The judgment requires the defendants to terminate the plan and distribute the plan’s assets to eligible participants and beneficiaries. Benages noted that the trustees have already reimbursed the plan for the improper transfers and asset overpayment with interest.

EBSA’s Boston regional office, which investigated the case, is located in Room 575 of the John F. Kennedy Federal Building. It can be reached by telephone at (617) 565-9600, or through EBSA’s toll-free number, 1-866-444-EBSA (3272).

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(Chao v. Freeman)
Civil Action Number: 03-69-BC

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